

Congress of the United States

Washington, DC 20510

November 4, 2021

The Honorable Sethuraman Panchanathan, Ph.D.,
Director
National Science Foundation
2415 Eisenhower Avenue
Alexandria, Virginia 22314

Ron S. Jarmin, Ph.D., Acting Director
Census Bureau
4600 Silver Hill Road
Washington, D.C. 20233

Dear Director Panchanathan and Acting Director Jarmin,

Startup companies are essential to the vibrancy of the American economy. Entrepreneurs take risks to found startups to pioneer bold ideas that shape the future and contribute to America's long-term economic competitiveness. As Members of Congress, we're committed to developing evidence-based policies that encourage these companies to flourish and to do this, we must be equipped with comprehensive data about startups in our country.

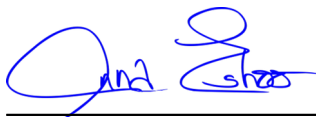
We write to request your assistance in improving the collection of data on startups. While the Census Bureau and National Science Foundation (NSF) administer the Annual Business Survey (ABS) to collect information about the U.S. business environment, the ABS does not distinguish between startups and other small businesses. This makes it difficult for policymakers to assess the health of the startup ecosystem and develop policies to enable these companies to thrive. Because the ABS collects important demographic information about businesses, the lack of differentiation between startups and other businesses also limits our ability to promote diversity and inclusion in the startup sector.

Startups differ from other businesses in important ways. Unlike other small businesses, startups rely on innovative, tech-oriented business models and are designed to grow quickly and operate at scale. Similarly, startups are more likely to be financed by certain investment mechanisms (e.g., venture capital) while other small businesses tend to rely on conventional financing.

As the Census Bureau and NSF prepare to administer next year's ABS, we encourage you to expand the survey to capture data on startups. Specifically, we request that the survey ask respondents how quickly their businesses are growing, how they are funded, and whether they are launching new technology or pioneering a new, tech-reliant business model. We also request that the Census Bureau and NSF make this data available to the public so researchers can access and analyze it. We're confident these suggested improvements to the ABS will provide policymakers, industry leaders, and researchers with the data they need to ensure that the American startup ecosystem remains competitive.

Thank you for considering our request. We appreciate your important work to administer the ABS, and we hope next year's survey will be enhanced to better assess the health of the startup sector.

Most gratefully,



Anna G. Eshoo
Member of Congress



Ed Case
Member of Congress



David J. Trone
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